GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1952
ANSWERED ON:13.03.2008
SALE OF NATURAL GAS TO POWER AND FERTILIZER SECTORS
Singh Shri Rajiv Ranjan (Lalan);Singh Shri Suraj

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the public sector oil companies sell natural gas to the power sector and the fertilizer sector;

(b) if so, the price at which these companies sell natural gas to the said sectors;

(c) whether the Government propose to hike the price by 27.5 per cent; and

(d) if so, the details thereof alongwith the reasons for increasing the price?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) & (b): Yes, Sir. Public Sector Oil Companies sell Administered Pricing Mechanism (APM) gas, free market gas and imported Re-gasified Liquefied Natural Gas (R-LNG) to power sector and fertilizers sector. APM gas is sold at Rs. 3200 per Thousand Standard Cubic Metres (MSCM) outside the North-East and at Rs. 1920/MSCM in the North-East. Domestic gas produced from pre-NELP Joint Ventures is sold at prices governed by provisions of Production Sharing Contracts (PSCs) signed between Government of India and Joint Venture Companies. Price of LNG imported under term contracts is governed by the Sale Purchase Agreement (SPA) between the LNG seller and the buyer, while the spot cargoes are purchased on mutually agreeable commercial terms.

(c): No, Sir.

(d): Does not arise.